



STATE OF MICHIGAN  
**DEPARTMENT OF TRANSPORTATION**  
LANSING

JENNIFER M. GRANHOLM  
GOVERNOR

KIRK T. STEUDLE  
DIRECTOR

October 9, 2009

TO: Act 51 Transit Agencies

SUBJECT: Addendum to the FY 2010 Local Public Transit Revenue and Expense Manual  
(R&E Manual)

Per the Federal Transit Administration circulars for Federal Section 5316 Job Access/Reverse Commute (JARC) service and Federal Section 5317 New Freedom (NF) service, farebox revenue earned from service provided under these programs cannot be considered as local match when calculating the Federal and/or State 50 percent reimbursement of operating expenses (up to the contract maximum).

The farebox revenue reported under 40100 Passenger Fares on the JARC or NF Operating Assistance Report (OAR) must be subtracted out as an ineligible expense under 57099 Other Ineligible Federal/State/Local. The calculation for reimbursement from the grant will be based on eligible expenses. For example, if a JARC and/or NF service incurred \$100,000 in operating expenses and earned \$10,000 in farebox, then the farebox would be subtracted out as ineligible and the reimbursement would be based on \$90,000 of eligible expenses.

If you have any questions, please contact Trish D'Itri, Auditing Specialist, at (517) 335-2535 or at [ditrit@michigan.gov](mailto:ditrit@michigan.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Sharon L. Edgar".

Sharon L. Edgar, Administrator  
Bureau of Passenger Transportation